



County of Los Angeles CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

October 16, 2007

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**DEPARTMENT OF HEALTH SERVICES: APPROVAL OF HEALTHY FAMILIES
PROGRAM AMENDMENTS WITH STATE MANAGED RISK
MEDICAL INSURANCE BOARD
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Director of Health Services or his designee (hereafter Director), to execute Amendment No. 2 to Health Services Agreement No. 05MHF008 (Exhibit I) and Amendment No. 2 to the related State-Supported Services Agreement No. 05MHF045 (Exhibit II) to provide Fiscal Year (FY) 2007-08 funding estimated from the State's Managed Risk Medical Insurance Board (MRMIB) for the Community Health Plan's (CHP) Healthy Families Program (HFP), in the amount of \$18,118,062 and \$5,689, respectively, effective July 1, 2007 through June 30, 2008.
2. Delegate authority to the Director to accept and execute any future amendments to the above agreements with MRMIB, or replacement agreements and any future amendments thereof, subject to review and approval by County Counsel and the Chief Executive Office and notification to the Board within thirty days after execution.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

The Department of Health Services (Department) is recommending approval of these actions to ensure continued funding of the HFP for eligible CHP subscribers.

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

FISCAL IMPACT/FINANCING

The funding for the HFP is provided by MRMIB on a per-member per-month basis, at a capitated rate for each HFP beneficiary enrolled in CHP. The FY 2007-08 revised rates will be held confidential in accordance with Section 1457 of the California Health and Safety Code, and will be shared with each Board Office, Chief Executive Officer, and County Counsel.

Due to the confidentiality of the rates, OMC's projected expenditures are not being included in this Board letter. However, based on OMC's FY 2007-08 projected HFP expenditures for this Agreement, the FY 2007-08 Adopted Budget is expected to be sufficient. Should additional funding beyond the current FY 2007-08 Adopted Budget amount be needed, up to the maximum State estimated total funding amount of \$18,123,751, OMC will request a FY 2007-08 budget adjustment.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The CHP is a full-service State-licensed and federally-qualified Health Maintenance Organization (HMO) publicly operated by the County of Los Angeles and administered by the Department's Office of Managed Care. CHP's core business is the provision of health care to eligible members enrolled under CHP's Medi-Cal Managed Care Program, Healthy Families Program, and PASC-SEIU Homecare Worker Health Care Plan.

Healthy Families Program

HFP provides low-cost health care to uninsured children up to age 19 from low-income working families with income levels too high to qualify for Medi-Cal. HFP is managed by MRMIB, which negotiates agreements with State-licensed health plans and other providers to render health care to eligible HFP subscribers.

MRMIB Funding Agreements

On May 19, 1998, the Board approved the initial HFP Health Services Funding Agreement with MRMIB to reimburse CHP for the provision of covered benefits to eligible HFP beneficiaries, effective May 1, 1998 through June 30, 2000. On subsequent occasions, the Board approved three amendments to this agreement to continue funding and revise certain program requirements through June 30, 2004.

On December 2, 2003, the Board approved the initial State Supported Services Agreement to provide supplemental State funding for certain HFP services (e.g.

abortions that are not the result of incest or rape, and are not necessary to save the life of the mother) pursuant to federal regulations prohibiting the use of federal funds for such services, effective July 1, 2003 through June 30, 2004.

On June 15, 2004, the Board approved limited delegated authority to the Director to execute amendments to the MRMIB agreements to continue funding and revise program requirements, effective July 1, 2004 through June 30, 2005.

On July 7, 2005, the Department exercised its Board-delegated authority, and executed replacement HFP Health Services Funding Agreement No. 05MHF008 and State Supported Services Agreement No. 05MHF045 to provide FY 2005-06 funding in the amount of \$22,490,000 and \$5,000, respectively. The term of both agreements became effective July 1, 2005 through June 30, 2008, with future funding to be processed through an amendment to these agreements during each subsequent fiscal year.

On August 15, 2006, the Board approved Amendments No. 1 to Agreement Nos. 05MHF008 and 05MHF045 to provide FY 2006-07 funding in the amount of \$20,756,209 and \$7,609, respectively, effective July 1, 2006 through June 30, 2007.

Approval of Amendments No. 2 to Agreement Nos. 05MHF008 and 05MHF045 will provide FY 2007-08 funding in the amount of \$18,118,062 and \$5,689, respectively, effective July 1, 2007 through June 30, 2008.

Enhanced Delegated Authority

On August 15, 2006, the Board delegated authority to the Director to execute future amendments to the MRMIB agreements, or replacement agreements thereof, for the period July 1, 2006 through June 30, 2008, in amounts not less than 90 percent of the prior fiscal year award, following review and approval by County Counsel, Chief Executive Officer, and notification to the Board within thirty days after execution.

In comparison to previous years where CHP received capitation rate increases, CHP will be receiving an 11 percent rate reduction for FY 2007-08 resulting from a highly defined and strict bidding process where all health plans, including CHP, must bid within the two lowest bids in order to continue participating in the HFP. As a result of this rate reduction, CHP is slightly short of the 90 percent award percentage amount based on the prior fiscal year award, as approved by the Board in order for the Department to exercise the delegated authority to enter and execute the Amendments.

To ensure continued funding of the HFP, the Department is requesting an expansion of delegated authority to accept and execute any future amendments to the above

Honorable Board of Supervisors
October 16, 2007
Page 4

agreements with MRMIB, or replacement agreements and any future amendments thereof, subject to review and approval by County Counsel and the Chief Executive Office and notification to the Board within thirty days after execution.

Attachment A provides additional information.

Exhibits I and II have been approved as to form and use by County Counsel.

CONTRACTING PROCESS

It is not appropriate to advertise funding agreements or amendments on the Los Angeles County Online Website.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

The Agreements with MRMIB provide funding for the County's continued participation in the State's HFP.

When approved, this Department requires four signed copies of the Board's action.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SRH:SAS
DJ:AT:bjs

Attachments (3)

c: County Counsel
Director and Chief Medical Officer, Department of Health Services
Office of Managed Care, Department of Health Services

SUMMARY OF AMENDMENTS1. Types of Services:

The Agreements with the State's Managed Risk Medical Insurance Board (MRMIB) provides funding for the Community Health Plan (CHP) to provide covered benefits to eligible members enrolled in CHP's Healthy Families Program. These services are delivered under the CHP's provider network consisting of: 1) County facilities; 2) primary/specialty care contractors affiliating with private hospital contractors; 3) network providers; and 4) subcontracted pharmaceutical service providers under the pharmacy benefit management contractor.

2. Agency Name:

State of California
Managed Risk Medical Insurance Board
1000 G Street, Suite 450
Sacramento, CA 95814
Attention: Don Minnich
Telephone: (916) 327-7978

3. Term:

The term of Amendment No. 2 to Agreement No. 05MHF008 and Amendment No. 2 to the related State Supported Services Agreement No. 05MHF045 is July 1, 2007 through June 30, 2008.

4. Financial Information:

Due to the confidentiality of the rates, OMC's projected expenditures are not being included in this Board letter. However, based on OMC's FY 2007-08 projected expenditures for this Agreement, the FY 2007-08 Adopted Budget is expected to be sufficient. Should additional funding beyond the current FY 2007-08 Adopted Budget amount be needed, up to the maximum agreement amount of \$18,123,751, OMC will request a FY 2007-08 budget adjustment.

5. Geographic Area to Be Served:

Countywide

6. Accountable for Program Monitoring:

Office of Managed Care

7. Approvals:

Office of Managed Care:	Teri Daly Lauenstein, Director
Contract Administration:	Cara O'Neill, Chief
County Counsel:	Edward Yen, Deputy County Counsel

STATE OF CALIFORNIA

STANDARD AGREEMENT AMENDMENT

STD. 213 A (Rev 6/03)

☒ CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED 34 Pages

AGREEMENT NUMBER

05MHF008

AMENDMENT NUMBER

A2

REGISTRATION NUMBER

4280040571892.2

1. This Agreement is entered into between the State Agency and Contractor named below:

STATE AGENCY'S NAME

Managed Risk Medical Insurance Board

CONTRACTOR'S NAME

The County of Los Angeles, dba: Community Health Plan

2. The term of this

Agreement is July 1, 2005 through June 30, 2008

3. The estimated amount of this \$61,487,171 (\$18,118,062 added)

Agreement after this amendment is:

4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:

- I. This Agreement is hereby amended for the purpose of making technical and other administrative changes to Exhibit A, B and D, to replace Exhibit C, to add money to the Agreement for an additional year, to add revised performance measures, and for revising the Confidential Attachment, Rates of Payment for July 1, 2007 through June 30, 2008.

- II. This Agreement is amended as follows through the revision and incorporation of the following attachments and exhibits as if fully set forth herein:

Exhibit C – General Terms and Conditions
Attachment III - Performance Measures
Attachment VI - Confidential Rates of Payment.

(continued)

All other terms and conditions shall remain the same.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR

CONTRACTOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.)

The County of Los Angeles, dba: Community Health Plan

BY (Authorized Signature)



DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

Bruce A. Chernof, M.D., Director & Chief Medical Officer

ADDRESS

313 N. Figueroa St., Ste. 907, Los Angeles, CA 90012

STATE OF CALIFORNIA

AGENCY NAME

Managed Risk Medical Insurance Board

BY (Authorized Signature)



DATE SIGNED (Do not type)

PRINTED NAME AND TITLE OF PERSON SIGNING

Teresa Krum, Deputy Director of Administration

ADDRESS

1000 G Street, Suite 450, Sacramento, CA 95814

CALIFORNIA
Department of General Services
Use Only

☒ Exempt per:
Section 12693.54, Insurance Code

III. Item D, Changing Health Care Providers, in Section I of Exhibit A is amended to read as follows:

D. Changing Health Care Providers

1. The Contractor's organization shall consist of the list of health care providers to be provided to the State. These providers (institutional and professional) are listed in the Contractor's Provider Directory. The Contractor agrees to provide copies of the Provider Directory to the State upon request, and to annotate, on a quarterly basis, the information required in Item II.K. with a notation that indicates the providers that are accepting or not accepting new Program subscribers.
2. Health care providers shall be deemed added to or deleted from the Contractor's Provider Directory as contracts between the Contractor and health care providers begin or end. If such contract activity either opens a new zip code to the coverage contemplated by this Agreement or would materially impair the Contractor's capacity to perform under this Agreement, the Contractor shall give not less than sixty (60) days written notice to the State and shall implement the change only upon written approval by the State.
3. In addition to any other rights the subscriber may have under existing law, at the State's option, and in consultation with the Contractor, the Contractor agrees to maintain the availability of those providers listed at any time during the benefit year in the Contractor's Provider Directory until the end of the benefit year, if elimination of the provider would impact twenty-five (25) or more subscribers enrolled with the Contractor through the Program. For the purpose of this section, the term "provider" may refer to a solo practitioner, a medical group or a clinic.
4. Item I.D.3. above shall not apply if the withdrawal of a provider from the Contractor's network was done at the request of the provider or is part of the Contractor's activities to obtain or retain National Committee for Quality Assurance/Joint Commission on the Accreditation of Healthcare Organizations (NCQA/JCAHO) accreditation, or is initiated by the Contractor for cause.

IV. Item B, Enrollment of Infants Born to Women Enrolled in the Access for Infants and Mothers (AIM) Program, in Section II of Exhibit A is amended to read as follows:

B. Enrollment of Infants Born to Women Enrolled in the Access for Infants and Mothers (AIM) Program (only for health plans that are also AIM contractors)

1. The Contractor shall notify any woman enrolled in the AIM program with the Contractor that her newborn will be eligible for automatic enrollment in the Healthy Families Program from birth, provided the State receives the information and required family child contribution specified in the Program regulations by the end of the eleventh month following the month of birth.
2. Within five calendar days of the Contractor's being notified of the birth of an infant born to a woman enrolled in the AIM Program with the Contractor, the Contractor shall provide the State with the following information: infant's name, infant's date of birth, infant's address, infant's gender, mother's name and identification number, infant's birth weight, and, if known, infant's primary care provider. This information shall be provided in a manner and format to be specified by the State.
3. If an infant is in need of immediate health care services and the Contractor has knowledge of this need at any time up to 5:00 p.m. on the tenth day of the second full calendar month of the infant's life, the Contractor shall notify the State of the infant's need for services in accordance with the requirements of Article 2, Section 2699.6608, subsection (f) of the Program regulations, and shall provide the information specified in Section 2699.6608, subsection (a) within the time frame specified in Section 2699.6608, subsection (f).

V. Item K, Network Information Service, of Section II of Exhibit A, is amended to read as follows:

K. Network Information Service

1. The Contractor agrees to provide, to the best of the Contractor's ability, complete and accurate data on its provider network in an electronic format to be determined by the State. The Contractor understands that the minimum data set requested by the State shall include the information on the Contractor's network outlined in Attachment II, Provider Data File Requirements. The information

described in Attachment II may be expanded by the State with no less than ninety (90) days notice by the State. The Contractor agrees to provide additional data elements, as requested by the State, to the best of its ability. The Contractor understands that the State intends to use information provided pursuant to this section to assist potential and current applicants and subscribers in selecting a health plan, and that information provided to the State will be shared with the public.

2. The Contractor agrees to provide the provider network information listed in Attachment II to the State on a quarterly basis, including updated notations on providers accepting or not accepting new Program subscribers. The Contractor may update its provider network information on a monthly basis. The Contractor is required to provide data for the creation of the database to the State between the 11th and 25th of any submission month.
3. If the Contractor is unable to provide electronic files in the specified provider network formats, the State agrees to offer the Contractor data capture services at the rate of \$25 per hour.
4. If the Contractor so requests, the State agrees to offer the Contractor an unscheduled update to the provider network information at the rate of \$500 per update.

VI. Item C, Cultural and Linguistic Services, of Section III of Exhibit A, is amended to read as follows:

C. Cultural and Linguistic Services

1. Linguistic Services

- a. The Contractor shall ensure compliance with Title 6 of the Civil Rights Act of 1964 (42 U.S.C. Section 2000d, and 45 C.F.R. Part 80) which prohibits recipients of federal financial assistance from discriminating against persons based on race, color or national origin. This is interpreted to mean that a limited English proficient (LEP) individual is entitled to equal access and participation in federally funded programs through the provision of bilingual services.
- b. The Contractor shall provide twenty-four (24) hour access to interpreter services for all (LEP) subscribers seeking health services within the Contractor's network. The Contractor shall use face-to-face interpreter services, if feasible. If face-to-face interpreter services are not feasible, the Contractor

may use telephone language lines for interpreter services. The Contractor shall develop and implement policies and procedures for ensuring access to interpreter services for all LEP subscribers, including, but not limited to, assessing the cultural and linguistic needs of its subscribers, training of staff on the policies and procedures, and monitoring its language assistance program. The Contractor's procedures must include ensuring compliance of any subcontracted providers with these requirements. Activities that the Contractor may undertake to assure compliance of subcontracted providers include, but are not limited to, employing competent bilingual or multilingual staff who can interpret for providers and subscribers, and using competent contracted community-based organizations for interpreter services.

- c. When the need for an interpreter has been identified by the provider, or requested by a subscriber the Contractor agrees to provide a competent interpreter for scheduled appointments. The Contractor shall avoid unreasonable delays in the delivery of health care services to persons of limited English proficiency. The Contractor shall instruct the providers within its health maintenance organization network to record the language needs of subscribers in the medical record.
- d. The Contractor agrees that subscribers shall not be required to or encouraged to utilize family members or friends as interpreters. After being informed of his or her right to use free interpreter services provided by the Contractor, a subscriber may use an alternative interpreter of his or her choice at his or her cost. The Contractor shall encourage the use of qualified interpreters. The Contractor agrees that minors shall not be used as interpreters except for only the most extraordinary circumstances, such as medical emergencies. The Contractor shall ensure that the request or refusal of language or interpreter services is documented in the medical records of providers in the Contractor's health maintenance organization network. Activities that the Contractor may undertake to ensure compliance of providers with this paragraph include, but are not limited to, training its providers on the need to document a request or refusal of interpreter services; supplying providers and their staff with Request/Refusal forms for interpreter services ; supply providers and their staff with chart labels identifying member language needs; implementing an incentive program to

reward provider offices that affirmatively attempt to identify language needs of LEP members and record them on the medical charts; conducting reviews of providers' medical records during periodic audits and/or facility site reviews to check for documentation of the request for or refusal of interpreter services; and providing other technical assistance to providers.

- e. The Contractor shall inform subscribers of the availability of linguistic services. Information provided to subscribers regarding interpreter services shall include but not be limited to: the availability of interpreter services to subscribers at no charge; the right not to use family members or friends as interpreters; the right to request an interpreter, during discussions of medical information such as diagnoses of medical conditions and proposed treatment options, and explanations of plans of care or other discussions with providers; the right to receive subscriber materials as described in Item III.C.2. of this Exhibit; and the right to file a complaint or grievance if linguistic needs are not met.
- f. The Contractor shall ensure that there is appropriate bilingual proficiency at medical and non-medical points of contact for providers who list their bilingual capabilities in provider directories. Medical points of contact include advice and urgent care telephone lines and face-to-face encounters with providers who provide medical or health care advice to members. Non-medical points of contact include member/customer service, plan or provider office reception, appointment services, and member orientation sessions. Activities that the Contractor may undertake to ensure the bilingual proficiency of interpreters at medical and non-medical points of contact include, but are not limited to: hiring staff who demonstrate conversational fluency as well as fluency in medical terminology; providing training that will enable staff to take, or assist with gathering, information for an accurate medical history with culturally related consent forms; providing dictionaries and glossaries for interpreters; providing provider staff with consistent interpreter training by experienced and properly trained interpreters; periodically assessing the language proficiency of the plan's identified medical and non-medical staff who have patient contact; conducting audits of provider sites to confirm ongoing language capabilities of providers and staff; and providing other technical assistance to providers.

- g. The Contractor shall identify and report the on-site linguistic capability of providers and provider office staff through the reporting required for the Network Information Service described in Item II.K. of this Exhibit.
- h. If the State finds that the Contractor is deficient in meeting the Cultural and Linguistic requirements specified in Item III. C., Cultural and Linguistic Services, the Contractor shall submit a corrective action plan that corrects the deficiency within a time period satisfactory to the State.

2. Translation of Written Materials

- a. The Contractor agrees to translate written informing materials for subscribers including, but not limited to, the Evidence of Coverage booklet; form letters; notice of action letters; consent forms; letters containing important information regarding participation in the health plan; notices pertaining to the reduction, denial, modification, or termination of services; notices of the right to appeal such actions or that require a response from subscribers; notices advising LEP subscribers of the availability of free language assistance services; other outreach materials; and medical care reminders. Written informing materials for subscribers shall be provided at a sixth grade reading level or as determined appropriate through the Contractor's Cultural and Linguistic Needs Assessment and approved by the State, to the extent that compliance with this requirement does not conflict with regulatory agency directives or other legal requirements. Translation of these materials shall be in the following languages: Spanish, and any language representing the preferred mode of communication for the lesser of five percent (5%) of the Contractor's enrollment or 3,000 subscribers of the Contractor's enrollment in the Program. If the Contractor serves both Medi-Cal and Program subscribers, it is encouraged, where practicable, to translate Program member materials into additional Medi-Cal threshold languages not required by the Program. The Contractor shall ensure that members who are unable to read the written materials that have been translated into non-English languages have an alternate form of access to the contents of the written materials. Activities that the Contractor may undertake to comply with this paragraph include, but are not limited to, informing LEP subscribers, during the welcome call, of the plan's language assistance services; encouraging members to call the Contractor if they

need help in understanding any of the Contractor's written materials; providing an oral translation of the material in a member's preferred language or arranging for this to be done by a competent interpreter service; and making the content of the written materials available in alternative formats such as Braille, CD, and audio cassette.

- b. The Contractor shall ensure the quality of the translated material. The Contractor is encouraged to use different qualified translators during sequential levels of the translation process to ensure accuracy, completeness and reliability of translated materials. The Contractor agrees that the translation process shall include the use of qualified translators for translating and editing, proofreading and professional review. Activities that the Contractor may undertake to ensure the quality of translated materials include, but are not limited to, contracting and using certified translation companies that follow a step-by-step translation process; performing back translation of material into its source language for comparison and accuracy by certified translation vendors other than the original translator; having an internal team review committee that includes a medical and/or legal "professional reviewer" who reviews translated materials for cultural appropriateness; and proof-reading and editing of the document by a separate qualified translation editor/proof reader. The Contractor may use computer technology as part of the process for producing culturally and linguistically appropriate translation. Guidelines for developing and producing culturally and linguistically appropriate translations and definitions for the terms used are included in Attachment IV, Translated Process Flowchart.
- c. By September 30 of each year, the Contractor shall submit to the State one copy of only those materials that, pursuant to Item II.E., are routinely provided to new subscribers for each language in which the materials are translated.

3. Cultural and Linguistic Group Needs Assessment

- a. By June 30, 2007, the Contractor agrees to conduct and submit to the State a Cultural and Linguistic Needs Assessment to promote the provision and utilization of appropriate services for its diverse enrollee population. The Needs Assessment report shall include findings from the assessment described in Item III.C.3.b. below and a plan

outlining the proposed services to be improved or implemented as a result of the assessment findings, with special attention to addressing cultural and linguistic barriers and reducing racial, ethnic, and language disparities.

- b. The Cultural and Linguistic Needs Assessment shall examine the demographic profile of the Contractor's Program enrollees by ethnicity and language to assess their linguistic and cultural needs. The assessment shall be conducted in accordance with guidelines issued by the State and shall examine the language preference of the Program enrollees and other data, including, but not limited to, the health risks, beliefs, and practices of the Contractor's enrollees. The Contractor may conduct the Needs Assessment individually or collaboratively with other plans participating in the Program.
- c. The Contractor shall assess the internal systems it has in place to address the cultural and linguistic needs of its Program enrollment population, including, but not limited to, assessing the Contractor's capacity to provide linguistically appropriate services. The Contractor shall review internal data including complaints and grievances, results from member surveys, diversity and language ability of staff as reflective of the enrollee population, internal policies and procedures, education and training of staff and providers regarding cultural and linguistic competency issues, and, to the extent feasible, utilization and outcome data analyzed by race, ethnicity and primary language. This information shall be examined in relation to and compared with external data for benchmarking and trends.
- d. The Contractor agrees to provide an opportunity for representatives of subscribers enrolled in the Program to provide input on the Cultural and Linguistic Needs Assessment. The Contractor may use an existing member advisory committee or community advisory committee for the purposes of providing an opportunity for Program subscribers to provide input. The Contractor shall ensure that the committee used to obtain input from subscribers is representative of subscribers in the program and includes representatives from hard-to-reach populations. The Contractor shall also ensure that the committee holds regular meetings and is provided with adequate resources to support committee activities and support staff.

4. Operationalizing Cultural and Linguistic Competency

- a. The Contractor shall develop internal systems that meet the cultural and linguistic needs of the Contractor's subscribers in the Program. The Contractor shall provide initial and continuing training on cultural competency to staff and providers. Ongoing evaluation and feedback on cultural competency training shall include, but not be limited to, feedback from subscriber surveys, staff, providers, and encounter/claims data.
- b. Activities that the Contractor may undertake in developing its internal systems to meet the cultural and linguistic needs of the Contractor's subscribers include: incorporating cultural competency in the Contractor's mission; establishing and maintaining a process to evaluate and determine the need for special initiatives related to cultural competency; developing recruitment and retention initiatives to establish organization-wide staffing that is reflective and/or responsive to the needs of the community; assessing the cultural competence of plan providers on a regular basis; establishing a special office or designated staff to coordinate and facilitate the integration of cultural competency guidelines; providing an array of communication tools to distribute information to staff relating to cultural competency issues (e.g., those tools generally used to distribute other operational policy-related issues); participating with government, community, and educational institutions in matters related to best practices in cultural competency in managed health care to ensure that the Contractor maintains current information and an outside perspective in its policies; maintaining an information system capable of identifying and profiling cultural and linguistic specific patient data; and evaluating the effectiveness of strategies and programs in improving the health status of cultural-defined populations.
- c. The Contractor shall report, on or before December 10 of each year, the linguistically and culturally appropriate services provided and proposed to be provided to meet the needs of limited-English proficient applicants and subscribers in the Program. This report shall address types of services including, but not limited to, linguistically and culturally appropriate providers and clinics available, interpreters, marketing materials, information packets, translated written materials, referrals to culturally and linguistically appropriate community services and programs,

and training and education activities for providers. The Contractor shall also report its efforts to evaluate cultural and linguistic services and outcomes of cultural and linguistic activities as part of the Contractor's ongoing quality improvement efforts. Reported information may include member complaints and grievances, results from membership satisfaction surveys, and utilization and other clinical data that may reveal health disparities as a result of cultural and linguistic barriers. The report shall also address activities undertaken by the Contractor to develop internal systems, as described in Item III.C.4.b of this Exhibit. The Contractor shall also report on the status of the Contractor's cultural and linguistic activities developed from the Needs Assessment. The format for this report shall be determined by the State.

VII. Item D, Mental Health: Services for Subscriber Children with Serious Emotional Disturbance or Serious Mental Disorder, in Section IV of Exhibit A is amended to read as follows:

D. Mental Health: Services for Subscriber Children with Serious Emotional Disturbance or Serious Mental Disorder

1. The Contractor is not responsible for providing or reimbursing a county for services to treat a subscriber child's serious emotional disturbance or serious mental disorder that are provided or authorized by a County Mental Health Department as defined in Welfare and Institutions Code Section 5600.3. The Contractor shall identify subscriber children who potentially have a serious emotional disturbance or serious mental disorder and shall refer them to the County Mental Health Department for determination of medical eligibility. Upon referral, the Contractor shall provide the applicant on behalf of the subscriber child a County Mental Health one-page (double sided) information flyer. The State agrees to provide the Contractor with camera-ready copies of the County Mental Health informational flyer. The Contractor shall assure the State that it will cooperate with the local County Mental Health Department in establishing policies and procedures that will successfully develop the interface between the Contractor and the local County Mental Health Department.
2. The Contractor shall implement the written policies and procedures it has developed in cooperation with County Mental Health Department Programs for identifying and referring children who potentially have a serious emotional disturbance or serious mental disorder to the County Mental Health Department for determination

of medical eligibility. These policies and procedures shall include, but not be limited to:

- a. Identification of a specific screening process for identifying and referring subscriber children who potentially have a serious emotional disturbance or serious mental disorder. The County Mental Health Department shall make the final determination of whether the subscriber child has a serious emotional disturbance or serious mental disorder. The MOU shall provide specific time frames for the County Mental Health Department to notify the Contractor about the assessment and determination of whether a subscriber child has a serious emotional disturbance or serious mental disorder.
- b. Procedures to assure that the Contractor and the Contractor's providers have the screening instrument and specific referral protocols to govern referral of subscriber children who potentially have a serious emotional disturbance or serious mental disorder to the County Mental Health Department. These protocols should assure that referral is made at the earliest recognition by the Contractor or the Contractor's providers that the subscriber child may have a serious emotional disturbance or serious mental disorder.
- c. A procedure to assure that baseline health and mental health information about the subscriber child is shared between the Contractor and the County Mental Health Department and any County Contract Providers.
- d. Procedures that provide for continuity of care between the Contractor and the Contractor's providers and the County Mental Health Department and any County Contract Providers.
- e. Procedures that maintain continuity of care for the subscriber child when the subscriber child is a new subscriber child with the Contractor and has an ongoing treatment plan with the County Mental Health Department. This procedure shall include an automatic referral for a new subscriber child who has a treatment plan for serious emotional disturbance or serious mental disorder with the County Mental Health Department.

- f. Designation of at least one Contractor's employee as Mental Health Services Liaison who shall, as one of his or her primary functions, coordinate and collaborate with each County Mental Health Department in which Contractor serves Program subscribers. The name and contact information of this liaison, including changes, shall be provided to the State in Contractor's annual Fact Sheet submission.
3. The Contractor shall report to the State the number of children who were referred to the County Mental Health Department. The report is due by July 31 of each year. The format for the report shall be determined by the State.
4. Unless and until eligibility for the County Mental Health Department Programs for children with serious emotional disturbance or serious mental disorder is established, the Contractor shall continue to provide all covered medically necessary health care and case management services for a subscriber child referred to the County Mental Health Department.
5. Once eligibility for the County Mental Health Department Program for children with serious emotional disturbance or serious mental disorder is established for a subscriber child:
 - a. The County Mental Health Department will notify the Contractor of the determination, in a time frame consistent with the Memorandum of Understanding.
 - b. The Contractor shall continue to provide all other covered services, including, but not limited to, primary care and any medically necessary covered drugs, laboratory and inpatient care, up to the limit of coverage and consistent with the Contractor's mechanism for subscriber conversion of an inpatient day for other less intensive treatment services, and shall work with the County Mental Health Department to ensure the coordination of services between its primary care providers and the County Mental Health Department and its specialty providers.
 - c. The County Mental Health Department will authorize the delivery of medically necessary health care services to treat a subscriber child's serious emotional disturbance or serious mental disorder.

6. Memoranda of Understanding shall include a mediation process to assure that disputes concerning referral or coverage questions, and any other areas of dispute between the Contractor and the County Mental Health Department can be mediated and resolved.
7. Nothing in this section shall be construed to relieve the Contractor of the responsibility to provide mental health care, up to the limits set forth in Article 3 of the Program regulations, for subscriber children who are referred to the County with serious emotional disturbance or serious mental disorder.

VIII. Item A, Measuring Clinical Quality, in Section V of Exhibit A is amended to read as follows:

A. Measuring Clinical Quality

1. The Contractor agrees to provide the State annually with audited clinical quality measures as outlined in Attachment III, Performance Measures. The measures to be provided include selected measures from the most recent version of the Health Plan Employer Data and Information Set (HEDIS®) released by the National Committee for Quality Assurance (NCQA), and the number of newly enrolled subscribers who received an initial assessment within the first 120 days of enrollment or an assessment within the 12 months immediately preceding the effective date of coverage.
2. Data on the measures described in Item V.A.1. above shall include data on subscribers enrolled in the Contractor's plan through the Program and shall cover the experience of the previous calendar year. The report shall be due by June 15 of each year and shall be submitted in a format determined by the State. The State hereby notifies the Contractor that compliance with Item V.A.1. and the information received by the State will significantly influence the State's willingness to extend or renew this or subsequent Agreements for provision of service to Program subscribers.
3. All data reported to the State pursuant to Item 1 above shall be audited by a certified NCQA HEDIS® auditor.
4. The Contractor understands that the State may include the results of any of the data included in the reports submitted pursuant to this Item in its annual open enrollment or Program application materials.

5. The Contractor understands that the State intends to collect claims and encounter data from the Contractor beginning with the 2006-07 contract year.
6. The Contractor understands that the State will evaluate the plan's clinical quality measures annually and will take appropriate action if the State determines that the Contractor's continued participation in the Healthy Families program is not in the best interest of its subscribers.

IX. Item B, Measuring Consumer Satisfaction, in Section V of Exhibit A is amended to read as follows:

B. Measuring Consumer Satisfaction

1. The Contractor understands that the State intends to conduct an annual consumer satisfaction survey of Program participants using the most recent release of NCQA's version of the Consumer Assessment of Health Plans Survey (CAHPS®). The Contractor further understands that the State intends to conduct an adolescent survey using the Young Adult Health Care Survey (YAHCS), as released by the Child and Adolescent Health Measures Initiative.
2. The Contractor understands that the State will conduct annual CAHPS® and YAHCS surveys, if funding is made available to the State for this purpose, using the services of a vendor selected by the State, hereafter referred to as the CAHPS® Vendor, to collect and analyze CAHPS® and YAHCS data.
3. The Contractor understands that the State intends to release the CAHPS® and YAHCS data to applicants, subscribers and other interested parties. The Contractor understands that the final decision regarding the release of information collected from the CAHPS® and YAHCS surveys shall be made by the State.
4. The State agrees to convene an open Work Group comprised of health plans, State staff, representatives of the State's Quality Improvement Work Group, and the staff of the CAHPS® Vendor to review the survey process and discuss the format and content of any data to be publicly released. The Work Group shall meet periodically during the term of this Agreement in locations throughout the State.
5. If funding is made available, the State shall pay the CAHPS® Vendor on behalf of the Contractor a survey benefit amount, to be

determined by the State based upon plan enrollment and survey milestones, which determine the number of families to be surveyed.

6. The Contractor agrees to provide the State with a camera-ready and electronic copy of the Contractor's logo, a signature of a high level Contractor official and sample pieces of the Contractor's stationary and envelopes. The State assures the Contractor that the items listed in this section shall only be used in the conduct of the CAHPS® and YAHCS Surveys.
7. The Contractor understands that the State will evaluate the plan's customer satisfaction survey results annually and will take appropriate action if the State determines that the Contractor's continued participation in the Healthy Families program is not in the best interest of its subscribers.

- X. Item C, Special Enrollment Materials Cost, in Section I of Exhibit B is amended to read as follows

C. Special Enrollment Materials Cost

In any event of an assignment of this Agreement or other transaction through which any entity purchases or otherwise acquires the Contractor's program enrollment, an early termination, or the removal of coverage in a service area by the Contractor which requires a special open enrollment, the Contractor agrees to pay the State for actual costs or \$9.00 per affected subscriber, whichever is greater, for subscribers enrolled in the Contractor's plan who must be moved to another participating plan.

The Contractor understands that the State does not intend to permit any special open enrollment between March 1 and June 30 of any year. Nothing in this Item I.C. shall be construed to limit the State's sole discretion to disapprove any proposed assignment pursuant to Section III of Exhibit C.

- XI. Item N, Confidentiality, in Section II of Exhibit D is amended as follows:

N. Confidentiality

1. "Confidential Information" shall mean eligibility and enrollment data, "personal information" as defined in the Information Practices Act ("IPA"), California Civil Code section 1798 et seq., and "protected health information" as defined in the Health Insurance Portability and Accountability Act of 1996 (HIPAA), maintained in connection with the Contractor's performance of this Agreement.

2. The Contractor agrees to protect the security and confidentiality of all confidential information in accordance with all applicable State and Federal laws and regulations, including, but not limited to, the IPA and HIPAA and the regulations thereunder.
3. All financial, statistical, personal, technical and other data and information relating to the State's operation which are designated confidential by the State and which become available to the Contractor shall be protected by Contractor from unauthorized use and disclosure.
4. The Contractor agrees that it shall not use any individual identifiable information or other confidential information for any purpose other than carrying out the provisions of this Agreement.
5. The Contractor shall ensure that all of its officers, employees, representatives, consultants, subcontractors, or agents who have access to any confidential information for purposes of carrying out the provisions of this Agreement shall execute a confidentiality agreement incorporating all requirements of this Item II.N. in a form acceptable to the State.
6. The Contractor agrees to notify the State of the unauthorized disclosure or acquisition of confidential information in connection with the Contractor's performance of this Agreement as follows:
 - a. Within one business day of the discovery (i) of the unauthorized disclosure of confidential information, or (ii) that confidential information was, or is reasonably believed to have been, acquired by an unauthorized person, the Contractor shall notify the State of such disclosure or acquisition. The notification shall include a description of the confidential information and the manner in which it was disclosed or actually, or believed to be, acquired. Notification shall be given by sending an email to the designated person listed in Item II.H. of this Exhibit, or such other person that the State shall designate in writing.
 - b. Upon the discovery of the unauthorized disclosure of confidential information or the actual or believed acquisition of such information by an unauthorized person, the Contractor shall promptly inform the State of whether Civil Code section 1798.82 or any other federal or state laws require the Contractor to notify individuals of such disclosure or acquisition and the date when the notification shall be given. The Contractor further agrees to promptly provide the

State with a copy of such notification with the confidential information redacted by sending an email to the designated person listed in Item II.H. of this Exhibit, or such other person that the State shall designate in writing.

XII. Item P, Disclosure of Contractor Records and Rates of Payment, in Section II of Exhibit B, is amended to read as follows:

P. Disclosure of Contractor Records and Rates of Payment

1. As authorized by Section 6254 of the Government Code, the State and the Contractor shall protect from public disclosure all program records related to the deliberative process, discussions, communications or negotiations over the development of this Agreement.
2. This Agreement and its terms shall remain confidential to the full extent permitted by applicable law, including, but not limited to, Government Code Section 6254. For the purposes of this Agreement, disclosure shall be as follows:
 - a. This Agreement and any subsequent amendment, with the exception of Attachment VI, Confidential Rates of Payment, shall not be open to public inspection and shall be kept confidential until one year after this Agreement or amendment, as applicable, has been fully executed. The term "fully executed" shall mean the effective starting date of this Agreement or amendment as applicable.
 - b. The rates of payment for this Agreement as contained in Attachment VI, Confidential Rates of Payment, and all documents and reports held by the State which refer to rates of payment, shall not be open to public inspection and shall be kept confidential until three years after this Agreement has been open to public inspection pursuant to Item P.2.a above.
 - c. Any rates of payment for this Agreement added through a contract amendment and as contained in Attachment VI, Confidential Rates of Payment, and all documents and reports held by the State which refer to rates of payment, shall not be open to public inspection and shall be kept confidential until three years after the contract amendment has been open to public inspection pursuant to Item P.2.a.

- d. The entire Agreement, or amendments to this Agreement, or other records pertaining to the rate of payment, shall be open to inspection by the Joint Legislative Audit Committee and its authorized auditors.
- e. The records pertaining to the rate of payment shall be open to federal auditing authorized by the Department of Health and Human Services or the United States Comptroller General and their authorized representatives.
- f. As needed, the State shall also allow its own authorized auditors and contractors, including actuarial consultants, whether public or private, to have access to the Agreement, its amendments, the payment rates, and records containing payment rates. The State shall bind its auditors and contractors to the confidentiality requirements contained in this Agreement.

XIII. The effective date of this amendment is July 1, 2007.

EXHIBIT C
TABLE OF CONTENTS

I.	APPROVAL	1
II.	AMENDMENT	1
III.	ASSIGNMENT	1
IV.	AUDIT	1
V.	INDEMNIFICATION	1
VI.	DISPUTES	2
VII.	TERMINATION FOR CAUSE	2
VIII.	INDEPENDENT CONTRACTOR	2
IX.	RECYCLING CERTIFICATION	3
X.	NON-DISCRIMINATION CLAUSE	3
XI.	CONTRACTOR CERTIFICATION CLAUSES.....	4
	A. STATEMENT OF COMPLIANCE.....	4
	B. DRUG-FREE WORKPLACE REQUIREMENTS.	4
	C. NATIONAL LABOR RELATIONS BOARD CERTIFICATION	5
	D. EXPATRIATE CORPORATIONS.....	5
	E. SWEAT-FREE CODE OF CONDUCT	5
	F. DOMESTIC PARTNERS	6
	G. DOING BUSINESS WITH THE STATE OF CALIFORNIA	6
XII.	TIMELINESS	8
XIII.	COMPENSATION	9
XIV.	GOVERNING LAW.	9
XV.	ANTITRUST CLAIMS	9
XVI.	CHILD SUPPORT COMPLIANCE ACT	10
XVII.	UNENFORCEABLE PROVISION.....	10
XVIII.	PRIORITY HIRING CONSIDERATIONS	10

EXHIBIT C GENERAL TERMS AND CONDITIONS

I. APPROVAL

This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. The Contractor may not commence performance until such approval has been obtained.

II. AMENDMENT

No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.

III. ASSIGNMENT

This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.

IV. AUDIT

Contractor agrees that the awarding department ("the State") and the Bureau of State Audits, or their designated representatives, shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include the same right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (GC 8546.7, PCC 10115 et seq., CCR Title 2, Section 1896).

V. INDEMNIFICATION

Contractor agrees to indemnify, defend and save harmless the State, its officers, trustees, agents and employees (the "indemnitees") from any and all claims, losses, costs, liabilities, damages or deficiencies, including interest, penalties and attorneys' fees, which (i) arise out of, are due to, or are alleged to arise out of or be due to, or are alleged to arise out of or be due to, a breach by the Contractor of any of its representations, warranties, covenants or other obligations contained in this Agreement, or (ii) are caused by or result from or are alleged to arise out of or result from, the Contractor's acts or omissions constituting bad faith, willful misfeasance, negligence or reckless disregard of its duties under this

Agreement, or (iii) accrue or result, or are alleged to accrue or result, to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work, services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.

The Contractor shall also indemnify, defend and hold harmless the indemnitees from and against any and all losses (as described in paragraph one of this Item) that result or are alleged to result from the failure to provide, or the negligent provision of, medical or other services or supplies by the Contractor, its independent subcontractors or agents. The State agrees to notify the Contractor in writing promptly of any such claims and to assist the Contractor (at Contractor's expense) in the defense of same.

If and to the extent that the Contractor has knowledge of a claim that it believes may develop into an action that would be subject to this Agreement, the Contractor shall promptly notify the State of the claim.

VI. DISPUTES

Contractor shall continue with the responsibilities under this Agreement during any dispute, unless directed otherwise by the State in writing.

VII. TERMINATION FOR CAUSE

The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. Such right of termination shall be without prejudice to any other remedies available to the State. Upon receipt of any notice terminating this Agreement, the Contractor shall immediately discontinue all activities affected, unless the notice directs otherwise, and the State may proceed with the work in any manner deemed proper by the State. In such event, the State shall pay the Contractor only the reasonable value of the services rendered, and all costs to the State shall be deducted from any sum due the Contractor. The State may, at its sole discretion, offer an opportunity to cure any breach prior to terminating for default.

VIII. INDEPENDENT CONTRACTOR

The Contractor, and the agents and employees of the Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State except for purposes of Civil Code Section 1798.24.

IX. RECYCLING CERTIFICATION

The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of recycled content, both post consumer waste and secondary waste as defined in the Public Contract Code, Sections 12161 and 12200, in materials, goods, or supplies offered or products used in the performance of this Agreement, regardless of whether the product meets the required recycled product percentage as defined in the Public Contract Code, Sections 12161 and 12200. Contractor may certify that the product contains zero recycled content. (PCC 10233, 10308.5, 10354)

X. NON-DISCRIMINATION CLAUSE

During the performance of this Agreement, Contractor and its subcontractors, as well as their agents and employees, shall not unlawfully discriminate, harass, or allow harassment against any employee or applicant for employment because of sex, sexual orientation, race, color, ancestry, religious creed, national origin, physical disability (including HIV and AIDS), mental disability, medical condition (including health impairments related to or associated with a diagnosis of cancer for which a person has been rehabilitated or cured), age (over 40), marital status, and use of family and medical care leave pursuant to state or federal law. Contractor and subcontractors shall insure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. Contractor and subcontractors, as well as their agents and employees, shall ensure that the evaluation and treatment of their employees and applicants for employment are free from such discrimination and harassment. The Contractor and subcontractors, as well as their agents and employees, shall comply with the provisions of the Fair Employment and Housing Act (Government Code Section 12990 (a-f) et seq.) and the applicable regulations promulgated thereunder (Title 2, California Code of Regulations, Section 7285 et seq.). The applicable regulations of the Fair Employment and Housing Commission implementing Government Code Section 12990 (a-f), set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations, are incorporated into this Agreement by reference and made a part hereof as if set forth in full. Contractor and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other Agreement.

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

XI. CONTRACTOR CERTIFICATION CLAUSES

A. Statement of Compliance

Contractor has, unless exempted, complied with the nondiscrimination program requirements. (GC 12990 (a-f) and CCR, Title 2, Section 8103) (Not applicable to public entities.)

B. Drug-free Workplace Requirements.

Contractor will comply with the requirements of the Drug-Free Workplace Act of 1990 and will provide a drug-free workplace by taking the following actions:

1. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations.
2. Establish a Drug-Free Awareness Program to inform employees about:
 - a. the dangers of drug abuse in the workplace;
 - b. the person's or organization's policy of maintaining a drug-free workplace;
 - c. any available counseling, rehabilitation and employee assistance programs; and,
 - d. penalties that may be imposed upon employees for drug abuse violations.
3. Every employee who works on the proposed Agreement will:
 - a. receive a copy of the company's drug-free workplace policy statement; and
 - b. agree to abide by the terms of the company's statement as a condition of employment on the Agreement.

Failure to comply with these requirements may result in suspension of payments under the Agreement or termination of the Agreement or both and Contractor may be ineligible for award of any future State agreements if the State determines that any of the following has occurred: (1) the

Contractor has made false certification, or violated the certification by failing to carry out the requirements as noted above. (GC 8350 et seq.)

C. National Labor Relations Board Certification

Contractor certifies that no more than one (1) final unappealable finding of contempt of court by a Federal court has been issued against Contractor within the immediately preceding two-year period because of Contractor's failure to comply with an order of a Federal court which orders Contractor to comply with an order of the National Labor Relations Board. (PCC 10296) (Not applicable to public entities.)

D. Expatriate Corporations

The Contractor hereby declares that it is not an expatriate corporation or subsidiary of an expatriate corporation within the meaning of Public Contract Code Section 10286 and 10286.1, and is eligible to contract with the State of California.

E. Sweat-free Code of Conduct

1. All Contractors contracting for the procurement or laundering of apparel, garments or corresponding accessories, or the procurement of equipment, materials, or supplies, other than procurement related to a public works contract, declare under penalty of perjury that no apparel, garments or corresponding accessories, equipment, materials, or supplies furnished to the state pursuant to the contract have been laundered or produced in whole or in part by sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor, or with the benefit of sweatshop labor, forced labor, convict labor, indentured labor under penal sanction, abusive forms of child labor or exploitation of children in sweatshop labor. The contractor further declares under penalty of perjury that they adhere to the Sweat-free Code of Conduct as set forth on the California Department of Industrial Relations website located at www.dir.ca.gov, and Public Contract Code Section 6108.
2. The contractor agrees to cooperate fully in providing reasonable access to the contractor's records, documents, agents or employees, or premises if reasonably required by authorized officials of the contracting agency, the Department of Industrial Relations, or the Department of Justice to determine the contractor's compliance with the requirements under Item XI(F)(1).

F. Domestic Partners

For contracts executed or amended after July 1, 2004, the Contractor may elect to offer domestic partner benefits to the Contractor's employees in accordance with Public Contracts Code section 10295.3. However, the Contractor cannot require an employee to cover the costs of providing any benefits which have otherwise been provided to all employees regardless of marital or domestic partner status.

G. Doing Business with the State of California

1. Conflict of interest

Contractor acknowledges the following provisions regarding current or former state employees. If Contractor has any questions on the status of any person rendering services or involved with the Agreement the Contractor shall contact the State immediately for clarification.

a. Current State Employees (PCC 10410):

- (1) No officer or employee shall engage in any employment, activity or enterprise from which the officer or employee receives compensation or has a financial interest and which is sponsored or funded by any state agency, unless the employment, activity or enterprise is required as a condition of regular state employment.
- (2) No officer or employee shall contract on his or her own behalf as an independent contractor with any state agency to provide goods or services.

b. Former State Employees (PCC 10411):

- (1) For the two-year period from the date he or she left state employment, no former state officer or employee may enter into a contract in which he or she engaged in any of the negotiations, transaction, planning, arrangements or any part of the decision-making process relevant to the contract while employed in any capacity by any state agency.
- (2) For the twelve-month period from the date he or she left state employment, no former state officer or employee may enter into a contract with any state

agency if he or she was employed by that state agency in a policy-making position in the same general subject area as the proposed contract within the 12-month period prior to his or her leaving state service.

- c. If Contractor violates any provisions of the above paragraphs, such action by Contractor shall render this Agreement void. (PCC 10420).
- d. Members of boards and commissions are exempt from this section if they do not receive payment other than payment of each meeting of the board or commission, payment for preparatory time and payment for per diem. (PCC 10430 (e)).

2. Labor Code/Workers' Compensation.

Contractor acknowledges the provisions of law which require every employer to be insured against liability for Worker's Compensation or to undertake self-insurance in accordance with the provisions, and Contractor agrees to comply with such provisions before commencing the performance of the work of this Agreement. (Labor Code Section 3700.)

3. Americans with Disabilities Act

Contractor certifies that it complies with the Americans with Disabilities Act (ADA) of 1990, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA. (42 U.S.C. 12101 et seq.)

4. Contractor Name Change

Contractor acknowledges that an amendment is required to change the Contractor's name as listed on this Agreement. Upon receipt of legal documentation of the name change the State will process the amendment. Payment of invoices presented with a new name cannot be paid prior to approval of said amendment.

5. Corporate Qualifications to do Business in California

- a. Contractor acknowledges that, when agreements are to be performed in the state by corporations, the State will verify that the contractor is currently qualified to do business in

California in order to ensure that all obligations due to the state are fulfilled.

- b. "Doing business" is defined in R&TC Section 23101 as actively engaging in any transaction for the purpose of financial or pecuniary gain or profit. Although there are some statutory exceptions to taxation, rarely will a corporate contractor performing within the state not be subject to the franchise tax.
- c. Both domestic and foreign corporations (those incorporated outside of California) must be in good standing in order to be qualified to do business in California. Agencies will determine whether a corporation is in good standing by calling the Office of the Secretary of State.

6. Resolution

A county, city, district, or other local public body must provide the State with a copy of a resolution, order, motion, or ordinance of the local governing body which by law has authority to enter into an agreement, authorizing execution of the agreement.

7. Air or Water Pollution Violation

Contractor acknowledges that, under the State laws, the Contractor shall not be: (1) in violation of any order or resolution not subject to review promulgated by the State Air Resources Board or an air pollution control district; (2) subject to cease and desist order not subject to review issued pursuant to Section 13301 of the Water Code for violation of waste discharge requirements or discharge prohibitions; or (3) finally determined to be in violation or provisions of federal law relating to air or water pollution.

8. Payee Data Record Form Std 204

Contractor acknowledges that this form must be completed by all contractors that are not another state agency or other government entity.

XII. TIMELINESS

Time is of the essence in this Agreement.

XIII. COMPENSATION

The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.

XIV. GOVERNING LAW.

This Agreement shall be administered, construed, and enforced according to the laws of the State of California (without regard to any conflict of laws provisions) to the extent such laws have not been preempted by applicable federal law. Any suit brought hereunder (including any action to compel arbitration or to enforce any award or judgment rendered thereby) shall be brought in the state or federal courts sitting in Sacramento, California, the parties hereby waiving any claim or defense that such forum is not convenient or proper. Each party agrees that any such court shall have in personam jurisdiction over it and consents to service of process in any manner authorized by California law.

XV. ANTITRUST CLAIMS

The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes sections set out below.

- A. The Government Code Chapter on Antitrust claims contains the following definitions:
 - 1. "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.
 - 2. "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.
- B. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective

at the time the purchasing body tenders final payment to the bidder.
Government Code Section 4552.

- C. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.
- D. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.

XVI. CHILD SUPPORT COMPLIANCE ACT

In accordance with the Child Support Compliance Act,

- A. The contractor acknowledges the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
- B. The Contractor certifies that it is, to the best of its knowledge, fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

XVII. UNENFORCEABLE PROVISION

In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.

XVIII. PRIORITY HIRING CONSIDERATIONS

If this Contract includes services in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to

qualified Recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Public Contracts Code section 10353.

ATTACHMENT III
SCHEDULE OF PERFORMANCE MEASURES
Childhood Indicators - Ages 12 Months through 18 Years

Note This schedule outlines the performance measures to be reported by health plans during the term of this contract. The description of HEDIS® measures contained in this schedule of performance measures is not meant to be a comprehensive description of required HEDIS® measures. Plans are expected to have the most current HEDIS® information and to follow the specifications for the following measures in that document.

FOR THE 2007-08 CONTRACT PERIOD

1) CHILDHOOD IMMUNIZATION STATUS (HEDIS® Measure)

The percentage of HFP enrolled children who turned two years old during the reporting year, who were continuously enrolled for 12 months immediately preceding their second birthday (including members who have had not more than one break in enrollment of up to 45 days during the 12 months immediately preceding their second birthday), and who have received the following immunizations:

- Four DTP or DTaP vaccinations by the second birthday with at least one diphtheria and one tetanus falling on or between the child's first and second birthdays.
- Three polio (IPV or OPV) vaccinations by the second birthday
- One MMR between the first and second birthdays
- Three H influenza type B vaccinations with different dates of service by the child's second birthday and with at least one of them falling on or between the first and second birthdays
- Three hepatitis B vaccinations by the second birthday (with one of them falling between the six month and the second birthday)
- At least one chicken pox vaccination (VZV), with a date of service falling on or between the child's first and second birthdays
- A combined rate including children who have received all of the immunizations above.

2) CHILDREN'S ACCESS TO PRIMARY CARE PROVIDERS (HEDIS® Measure)

The percentage of children who have had at least one visit to a pediatrician, family physician, and other health care provider during the reporting year. Four separate cohorts are reported:

- Percentage of children age 12 through 24 months who were continuously enrolled during the reporting year who have had one (or more) visits with a health plan primary care provider during the reported year.

- Percentage of children age 25 months through 6 years who were continuously enrolled during the reporting year who have had one (or more) visits with a health plan primary care provider during the reported year.
- Percentage of children age 7 through 11 years who were continuously enrolled during the reporting year and the year prior who have had one (or more) visits with a health plan primary care provider during the reporting year or the year preceding the reporting year.
- Percentage of adolescents 12-18 years of age who were continuously enrolled during the reporting year and the year prior who have had one (or more) visits with a health plan primary care provider during the reporting year or the year preceding the reporting year.

3) *WELL CHILD VISIT IN THE THIRD, FOURTH, FIFTH, AND SIXTH YEARS*
(HEDIS® Measure)

The percentage of HFP enrolled members who were age 3 through 6 years during the reporting year who were continuously enrolled during the reporting year and who received one or more well-child visit(s) with a primary care provider during the reporting year. Members who have had no more than one break in enrollment of up to 45 days per year should be included in this measure.

4) *ADOLESCENT WELL-CARE VISITS* (HEDIS® Measure)

The percentage of HFP enrolled members who were 12 through 18 years during the reporting year who were continuously enrolled during the reporting year and who had at least one comprehensive well-care visit with a primary care provider during the reporting year. Members who have had not more than one break in enrollment of up to 45 days per year should be included in this measure.

5) *ALCOHOL AND OTHER DRUG SERVICES UTILIZATION* (HEDIS® Measure)

Percentage of Members Receiving Inpatient, Intermediate, and Ambulatory Services.

The number and percentage of HFP members receiving alcohol and other drug services during the reporting year in the following categories: any alcohol and other drug services; inpatient alcohol and other drug services; intermediate alcohol and other drug services; and ambulatory alcohol and other drug services.

6) *USE OF APPROPRIATE MEDICATIONS FOR ASTHMA* (HEDIS® Measure)

The percentage of enrolled members 5 through 18 years of age during the measurement year, who were identified as having persistent asthma during the year prior to the measurement year and who were appropriately prescribed medication during the measurement year.

7) MENTAL HEALTH UTILIZATION (HEDIS® Measure)

The number and percentage of members, by age and sex, receiving mental health services during the measurement year in four categories of service:

- any mental health services (inpatient, day/night, ambulatory)
- inpatient mental health services
- day/night mental health services
- ambulatory mental health services

8) Well-Child Visits in the First 15 Months of Life (W15) (HEDIS® Measure)

The percentage of enrolled members who turned 15 months old during the measurement year, who received either zero, one, two, three, four, five, six or more well-child visits with a primary care practitioner during their first 15 months of life. A child should be included in only one numerator (e.g., a child receiving six well-child visits would not be included in the rate for five or fewer visits.)

NEW MEASURES FOR THE 2007-08 CONTRACT PERIOD

9) CHLAMYDIA SCREENING IN WOMEN (HEDIS® Measure)

The percentage of women 16-18 years of age who were identified as sexually active, who were continuously enrolled during the measurement year with no more than one gap in enrollment of up to 45 days during that time and who had at least one test for Chlamydia during the measurement year.

10) APPROPRIATE TREATMENT FOR CHILDREN WITH UPPER RESPIRATORY INFECTION (URI) (HEDIS® Measure)

The percentage of enrolled members 3 months through 18 years of age during the measurement year, who were given a diagnosis of upper respiratory infection and were not dispensed an antibiotic prescription on or three days after the Episode date.

11) APPROPRIATE TESTING FOR CHILDREN WITH PHARYNGITIS (CWP) (HEDIS® Measure)

The percentage of enrolled children 2 through 18 years of age during the measurement year, who were given a diagnosis of pharyngitis, prescribed an antibiotic and received a group A streptococcus (strep) test for the episode.

**ATTACHMENT VI
CONFIDENTIAL RATES OF PAYMENT**

Pursuant to Exhibit D. Item II.P., this attachment shall be kept confidential, and is not open to public inspection, until at the earliest, July 1, 2011.

STATE OF CALIFORNIA

STANDARD AGREEMENT AMENDMENT

STD. 213 A (Rev 6/03)

☒ CHECK HERE IF ADDITIONAL PAGES ARE ATTACHED 2 Pages

AGREEMENT NUMBER	AMENDMENT NUMBER
05MHF045	A2
REGISTRATION NUMBER	
4280040572131.2	

1. This Agreement is entered into between the State Agency and Contractor named below:
STATE AGENCY'S NAME
Managed Risk Medical Insurance Board
CONTRACTOR'S NAME
The County of Los Angeles, dba: Community Health Plan
2. The term of this Agreement is July 1, 2005 through June 30, 2008
3. The estimated amount of this Agreement after this amendment is: \$13,298 (\$5,689 added)
4. The parties mutually agree to this amendment as follows. All actions noted below are by this reference made a part of the Agreement and incorporated herein:
 - I. This Agreement is hereby amended for the purpose of adding money to the Agreement for an additional year and for revising the Confidential Attachment, Rates of Payment for July 1, 2007 through June 30, 2008.
 - II. This Agreement is amended as follows through the revision and incorporation of the following attachment as if fully set forth herein:
 - III. Attachment I – Confidential Rates of Payment.
 - IV. The effective date of this amendment is July 1, 2007.
 - V. All other terms and conditions of this Agreement shall remain the same.

All other terms and conditions shall remain the same.

IN WITNESS WHEREOF, this Agreement has been executed by the parties hereto.

CONTRACTOR		CALIFORNIA Department of General Services Use Only
CONTRACTOR'S NAME (If other than an individual, state whether a corporation, partnership, etc.)		
The County of Los Angeles, dba: Community Health Plan		
BY (Authorized Signature)	DATE SIGNED (Do not type)	
		
PRINTED NAME AND TITLE OF PERSON SIGNING		
Bruce A. Chernof, M.D., Director & Chief Medical Officer		<input checked="" type="checkbox"/> Exempt per: Section 12693.54, Insurance Code
ADDRESS		
313 N. Figueroa, Los Angeles, CA 90012		
STATE OF CALIFORNIA		
AGENCY NAME		
Managed Risk Medical Insurance Board		
BY (Authorized Signature)	DATE SIGNED (Do not type)	
		
PRINTED NAME AND TITLE OF PERSON SIGNING		
Teresa Krum, Deputy Director of Administration		
ADDRESS		
1000 G Street, Suite 450, Sacramento, CA 95814		

**ATTACHMENT I
CONFIDENTIAL RATES OF PAYMENT**

Pursuant to Exhibit D. Item II.P., this attachment shall be kept confidential, and is not open to public inspection, until at the earliest, July 1, 2011.